

STATE OF COLORADO

*DEPARTMENT OF PERSONNEL &  
ADMINISTRATION*

# ***PERFORMANCE MATTERS***



*PERFORMANCE PAY PROGRAM*

Adopted June 30, 2001

Revised March 11, 2005

---

Jeffrey M. Wells, Executive Director

# **DEPARTMENT OF PERSONNEL & ADMINISTRATION**

## **PERFORMANCE PAY PROGRAM – Performance Matters**

*The DPA performance pay program creates a uniform and consistent process that adheres to the system guidelines established for all state agencies. The program is flexible so it can be revised as necessary to remain consistent with all requirements of the state's performance pay system and to continually improve the program.*

### **I. OVERVIEW OF PLAN**

The purpose of this performance pay program is to promote excellence in state government by achieving the Department's mission and vision. The components of this program are performance management, performance pay, and dispute resolution. Performance management links the Department's mission, vision, values, and goals to employee objectives while performance pay provides the means to link an employee's pay to the level of performance in achieving objectives. This program creates a partnership between managers and employees in defining expectations, planning objectives, and measuring performance results. Further, it gives more flexibility to managers to manage our most valuable resource – employees - to business operations and changing conditions, while providing incentives to employees for improved performance through salary adjustments commensurate with the level of contribution.

### **II. PROGRAM INFRASTRUCTURE**

Executive management of the Department makes all policy decisions concerning this program, within system parameters. Executive management is composed of the Executive Director, Deputy Executive Director, key staff of the Executive Office, and Division Directors. The Human Resources Unit (HRU), of the Executive Office, implements and manages the performance pay program ensuring compliance with system parameters, rules, and procedures.

Division Directors play a key role in ensuring that the performance pay program is successful. Division Directors are the “champions” for the Department and their Divisions. The ultimate success of the performance pay program within DPA is based upon each individual Division Director's commitment to excellence in performing through sound performance management.

It is fully expected that it will be necessary to refine this program as experience is gained. A copy of the amended program will be provided to the State Personnel Director. Once approved, changes will be communicated to employees and the revised plan will be available.

### **III. CREATING PERFORMANCE MANAGEMENT IN DPA**

The public policy direction provided by the Legislature and Governor establishes the framework for senior executives to establish missions and goals. Clearly articulated missions and goals, in turn, allow managers, program directors, and supervisors to establish strategic, measurable, and verifiable objectives for work units, teams, and employees.

#### **Developing the DPA Mission and Guiding Principles**

DPA has closely followed this philosophy in implementing performance management within the Department. The process begins with the Executive Office where the Department's mission, vision, and strategic goals are established and reviewed annually as part of the strategic planning and budgeting process. DPA strongly believes a “clear line of sight” must be established and communicated throughout the organization and is critical to successfully implementing performance pay. This allows all employees to understand how their work contributes to the success of the entire organization.

#### **Linking the DPA Mission, Division Mission, and Employee Performance Plans**

Explicitly linking the DPA mission, the 3 C's (Customers, Communication, Credibility), and the Division mission in all employee performance plans is a critical step in focusing and aligning the organization. By working closely with

supervisors to develop performance objectives and standards, all employees should be able to understand and accept accountability for performance outcomes that are under their control. Further, communication between employees and supervisors on performance objectives provides an opportunity for open discussion about performance expectations and job responsibilities that align with the goals of the Department and allow the employee to see the positive contribution made to the mission of DPA.

### **Statewide Uniform Competencies**

Statewide uniform core competencies determined by the State Personnel Director and required by director's procedure are incorporated into every employee's performance plan and will be considered during every employee's evaluation. The competencies are communication, interpersonal skills, customer service, accountability, and job knowledge. The employee must be evaluated and rated on each competency. These competencies are so important to basic performance that does not meet expectations in any one competency precludes a final overall rating above the Proficient level.

### **Achieving Consistency in Performance Evaluations**

An important component of a successful performance pay program is a mechanism to ensure a consistent linkage between performance and pay. A common employee concern is that supervisors will not fairly or consistently evaluate employees. DPA believes that it is imperative for supervisors to establish consistent performance measures and evaluations for all employees. Further, DPA believes that consistency among sections within a Division and across Divisions is a worthy goal. To that end, executive management will review the quality and consistency of recommended overall ratings before they are finalized and released to employees.

### **Performance Levels**

DPA has adopted alternate labels for the four Uniform Statewide rating levels defined by Director's Administrative Procedures.

#### **Excellent (Level 4)**

This rating represents consistently exceptional and documented performance or consistently superior achievement beyond the regular assignment. Employees make exceptional contribution(s) that have a significant and positive impact on the performance of the unit or the organization and may materially advance the mission of the organization. The employee provides a model for excellence and helps others to do their jobs better. Peers, immediate supervisors, higher-level management and others can readily recognize such a level of performance.

#### **Commendable (Level 3)**

This rating level encompasses the accomplished performers who consistently exhibit the desired competencies effectively and independently while frequently exceeding expectations, standards, requirements, and objectives of the job assigned. The employee's work has documented impact beyond the regular assignments and performance objectives that directly supports the mission of the organization.

#### **Proficient (Level 2)**

This rating level encompasses a range of expected performance. It includes those employees who exhibit competency in the work behaviors, skills, and assignments for the job as well as those employees who are successfully developing in the job. These employees are meeting all the expectations, standards, requirements, and objectives on their performance plan and, on occasion, may exceed them. This is the employee who reliably performs the job assigned.

#### **Needs Improvement (Level 1)**

This rating level encompasses those employees whose performance does not consistently and independently meet expectations set forth in the performance plan as well as those employees whose performance is clearly unsatisfactory and consistently fails to meet requirements and expectations.

Marginal performance requires substantial monitoring to achieve consistent completion of work, and requires more constant, close supervision. Though these employees do not meet expectations, they may be progressing

satisfactorily toward a level 2 rating and need to demonstrate improvement in order to satisfy the core expectations of the position.

### **Team Performance Plans**

Teams may be *ad hoc* teams formed solely to address a particular issue, or on-going ones that manage an entire process through shared leadership. DPA believes that success in today's governmental environment depends on teamwork.

On-going teams should have a team performance plan that links to the team, Division, and Department mission. Working closely with management, the team performance plan should be prepared by the team members and closely link to each team member's individual performance plan. The department incentive award program includes provisions for team performance salary adjustments, including allowing all or part of each individual member's evaluation to be based on team performance.

## **IV. MANAGING THE PERFORMANCE MANAGEMENT PROCESS**

Managing performance is one of the most fundamental accountabilities for organizational success. DPA believes all employees deserve to be evaluated on actual performance in relation to defined standards. Employees should not be penalized for a supervisor's failure to plan or evaluate as required by law and rule. Therefore, there shall be no need for default ratings and they will not be assigned. In addition, non-compliant raters and reviewers will be reported to Division Directors, the Deputy Executive Director, and the Executive Director so mandated sanctions can be imposed.

### **Performance Cycle**

The performance cycle for DPA is April 1 through March 31. The performance cycle includes provisions for the mandatory documented progress review. Performance plans for all current DPA employees are to be finalized no later than 30 days after the beginning of the performance cycle. Plans for new employees must be finalized no later than 30 days from appointment. This includes current employees who transfer, promote, or demote to a different position, supervisor, or work unit.

The process and timeline for the cycle is as follows:

<b>ACTIVITY</b>	<b>DATE</b>
Performance Planning	Plans due April 1
Performance Progress Review (Mid year review required.)	October – complete by November 1
Completed Progress Reviews Due to HRU	November 6
Pre-rating Interview (No ratings communicated to employees at this time.)	March 31 - April 11
Supervisor Completes Performance Management Form and Preliminary Final Overall Rating (No ratings communicated to employees.)	April 12 – April 18
Supervisor Gives Completed Performance Management Form and Preliminary Rating to Reviewer (No ratings communicated to employees.)	April 19
Quality Review Process at Division level (No ratings communicated to employees.)	April 20 - 28
Quality Review Process of Excellent, and Commendable ratings at Executive Management level. Occurs before ratings are finalized and provided to employees.	April 29 - May 5
Final Overall Rating Communicated to Employees	May 6 - 13
Final Overall Rating and Completed Performance Management Forms due to HRU	May 15
Dispute Resolution Process	May - June
Executive Management Determines Payout Percentages	May
Notice of Performance Salary Adjustment Letter for Employees Sent to Division Directors from the Department's payroll officer	June
Payment of Performance Salary Adjustments	July

Please note that if a deadline falls on a weekend or holiday, the deadline is the next business day.

### **Performance Planning**

Although, the supervisor is ultimately responsible for developing an employee performance plan within established guidelines, the supervisor and employee need to work together to develop it. In the planning session, beginning

with the previous year's plan, the official job description and mission statements, they will determine whether management priorities have changed that necessitate a change in the employee's priorities, job assignment, or significant segments of the job to be evaluated. If the official job description, the Position Description Questionnaire (PDQ), does not reflect the duties assigned to the position, it should be updated and reviewed for appropriate allocation by HRU. The supervisor and employee should engage in dialogue on mutually understood performance objectives, measures, and assessment methods to be used for the upcoming performance cycle.

A standard *DPA Performance Management Form* has been developed and shall be used for employees, supervisors and managers. The form incorporates the four rating levels and consists of objectives, measurement standards, and statewide uniform core competencies. The form documents the employee and supervisor agreement on the various planning and evaluation steps during the performance cycle.

If the immediate supervisor does not take appropriate action to complete a performance plan, it is the responsibility of the 2<sup>nd</sup> level supervisor to complete the plan and on up the chain of command until the plan is completed as required by law. Absent a significant hardship, supervisors who fail to timely establish a performance plan for their employees are to be issued a corrective action and are not eligible for any performance salary adjustment. Further, supervisors who fail to establish a performance plan within 30 days of the corrective action are to be disciplinarily suspended in increments of one week following a pre-disciplinary hearing. The HRU will track this information and notify the Division Directors, Deputy Executive Director, and Executive Director so sanctions can be imposed.

Performance plans of all supervisors and managers shall include standards to measure and evaluate the effectiveness of their performance management of their employees.

Team performance plans may use the same format as individual performance plans. Team plans may rate the team as a whole if the work activities are the same and the team rating could be used as the individual rating. Another option is to use the team plan and rating as a component or portion of the individual performance plans of team members. All team members should be in agreement with the supervisor concerning the performance objectives of the team.

### **Communication and Feedback During the Performance Cycle**

Continuous coaching and feedback between the supervisor and employee is key to sound performance management. This process should continue throughout the performance cycle and should be adequate enough to keep the employee timely and fully informed of progress in meeting performance expectations. At the same time, the employee has a responsibility to keep the supervisor timely informed of concerns or perceived problems in meeting the agreed upon performance expectations. Dialogue must be free and open so performance objectives and expectations can be collaboratively adjusted. At a minimum, one documented progress review at mid-cycle must be held with all employees, although more frequent meetings are strongly encouraged. The date that meetings take place to discuss an employee's progress should be documented on the applicable *DPA Performance Management Form*. At the Division Director's discretion, mid-cycle ratings may be provided and filed with the HRU.

Modifications to the employee's performance plan may be necessary during the performance cycle. If so, the modifications must be documented on the *DPA Performance Management Form* and initialed by the employee, supervisor, and reviewer.

Communication among team members concerning ongoing performance is just as important as with individual employees. The above information on progress reviews, documentation, modifications and resolution of disagreements applies to teams.

### **Performance Evaluation**

All employees must receive a written evaluation, at least annually, at the end of each performance cycle. The evaluation compares actual performance with the objectives and measures shown on the *DPA Performance Management Form*. Multi-source assessment processes, where feasible, should be considered for evaluating employees. These can include customer satisfaction surveys, upstream evaluations, and coworker or peer assessments. Further, employees must be given the opportunity to provide input on their performance evaluation.

DPA uses a non-numeric evaluation process, so employees will be given a qualitative rating. The rating will be converted to one of four rating levels: Excellent, Proficient, Commendable, or Needs Improvement. The final overall rating must be documented on the form. The employee's final overall evaluation category will determine the dollar amount of a performance salary adjustment an employee receives. If a supervisor has an employee with three months or less experience within DPA, an abbreviated overall rating is allowed based on the employee's performance to date.

If an employee moves to a position under another appointing authority or work unit during a performance cycle, an interim overall evaluation shall be completed and delivered to the new DPA appointing authority and HRU within 30 days.

If a DPA employee leaves the department, an interim overall evaluation shall be completed and delivered to HRU within three days of the employee's last day in DPA. HRU will forward the interim overall evaluation and the personnel file to the employee's new state agency no later than 10 days from the employee's last day with DPA. If an employee leaves state employment, the evaluation will be provided directly to the employee.

Immediate supervisors will meet with their employees by the end of March as part of the evaluation process to discuss results over the performance cycle. Both employees and supervisors should prepare for this meeting. Given coaching and feedback throughout the cycle, there should be no surprises. The final overall rating is not given at this time. The supervisor should consider all information, complete the *DPA Performance Management Form* with a recommended rating, and provide the form and any supporting documentation to the reviewer.

A designated reviewer must review an employee's completed evaluation. Usually, the 2<sup>nd</sup> level supervisor is the reviewer. This is to be accomplished before the final evaluation is given to the employee by the immediate supervisor. Reviewers are encouraged to meet with other designated reviewers in the division to ensure completion of evaluations with some consistency.

There shall be no quotas or processes for forced distributions for determining the number of ratings in any of the four performance levels. However, quality control is important to effective performance management and confidence in the program. Executive management will review recommended overall ratings for adherence to program policy and guidelines, distribution of ratings, and quality and consistency of ratings, including adequate written justification of Excellent and Commendable ratings. This quality review process occurs before ratings are finalized and communicated to employees.

Overall ratings will be finalized and the employee, supervisor, and reviewer will sign the *DPA Performance Management Form*. Completed performance evaluations will be sent to the HRU where they will be entered into EMPL and the performance salary adjustment will be determined as provided below. Prior to July 1, the Department's payroll officer will issue a written notice of the salary adjustment amount and type to each employee and it will include a description of the dispute resolution process.

If an immediate supervisor fails to timely complete an employee's evaluation within the specified deadlines provided in this program: it will be completed by the 2<sup>nd</sup> level supervisor (reviewer) and on up the chain of command until complete. Absent a significant hardship, supervisors who fail to timely evaluate their employees are to be issued a corrective action and are not eligible for any performance salary adjustment. Supervisors who fail to evaluate their employees within 30 days of the corrective action are to be disciplinarily suspended in increments of one week following a pre-disciplinary meeting. In addition, if any evaluation is not completed by July 1, the supervisor may be demoted. If failure to evaluate by July 1 occurs for 2 consecutive years, the supervisor shall be demoted to a non-supervisor position. HRU will notify division directors, the Deputy Executive Director, and the Executive Director of delinquent evaluations so sanctions may be imposed.

An employee who receives an overall evaluation of Needs Improvement shall be provided with a written formal performance improvement plan or a corrective action with a reasonable time to improve. If performance is still unsatisfactory at the time of reevaluation under a corrective action, disciplinary action may be taken. A performance improvement plan is not a corrective action and cannot be considered in corrective or disciplinary actions. A performance improvement plan should include the following components:

- a. Supervisor and employee meeting to agree to developmental areas;
- b. A specific statement outlining the unacceptable performance;
- c. Specific performance changes (for both the supervisor & employee);
- d. Expected deadlines for performance changes;
- e. Dates for follow-up meetings to review progress; and,
- f. Consequences for failure to improve, e.g., corrective action.

## V. BUDGET ALLOCATION AND SALARY ADJUSTMENT DISTRIBUTION

In accordance with personnel rule, performance salary adjustments are paid in July. Performance salary adjustment funds will be distributed from Financial Services of the Executive Office.

### **Performance Salary Adjustments**

Permanent employees who are rated at the Proficient level and below pay range maximum may share in some manner in a performance salary adjustment. Employees at or above the range maximum are eligible for a non-base building salary adjustment only if rated Excellent. Needs Improvement performers are not eligible for a performance salary adjustment.

Prior to payment of performance salary adjustments, the State Personnel Director shall specify and publish the statewide percentage ranges for each performance level based on the available statewide performance pay funding. Salary adjustments in DPA will be based on a fixed percentage within the statewide percentage ranges for each performance level, unless directed otherwise by the State Personnel Director. At the end of each performance cycle, and following the publication of the statewide ranges, executive management will recommend to the Executive Director the fixed percentage for each performance level (except Needs Improvement). The value of the salary adjustments at each level of performance will be determined after all ratings are complete but before payments in July begin. It is DPA's intention that the value of a performance level will be higher than the next lower level's value, e.g., Z is greater than Y, Y is greater than X, unless directed otherwise by the State Personnel Director. It is also DPA's intention that the salary adjustment for Proficient will be greater than 0, unless directed otherwise by the State Personnel Director. The following requirements shall apply to all DPA performance salary adjustments:

<i>Performance Level</i>	<i>Below Pay Range Max</i>	<i>At or in Saved Pay Status Above Pay Range Max</i>
Needs Improvement	0%	0%
Proficient	X% Base not to exceed pay range maximum.	0%
Commendable	Y% Base not to exceed pay range max.	0%
Excellent	Z% Base building not to exceed pay range maximum. Any portion of the adjustment that exceeds the maximum shall be paid in a one-time lump sum.	Z% Non-base building only.

### *Other Considerations:*

- Employees must still be employed on July 1 to receive performance salary adjustments.
- Base building salary adjustments shall be paid as part of monthly base salary effective July 1 and applied after any statewide salary adjustment.
- Non-base building salary adjustments are permissible only to employees at or above the pay range maximum and rated at the Excellent level. The salary adjustment shall be paid in a one-time lump sum in July (including employees terminating in July).

- Performance salary adjustment amounts for new employees hired into the state personnel system during the cycle will be prorated based on employment time in DPA, specifically 1/12 of full salary adjustment for each month worked in DPA. New employees must begin work on the first business day of the month to receive credit for that month.
- Employees that have moved from another department to DPA and have received an interim or final overall evaluation from their previous department prior to the payment of the performance salary adjustment will receive a salary adjustment under the provisions of DPA's performance pay program.
- Employees granted an annual performance salary adjustment shall not be denied the adjustment because of a corrective or disciplinary action issued for an incident after the close of the previous performance cycle.
- Base building salary adjustments are permanent and are paid as regular salary.

#### **Type of Performance Salary Adjustment**

The type of salary adjustment will be non-base building if the employee is at the maximum of the pay range and receives an Excellent rating. The following outlines the minimum common standards used throughout DPA to determine performance salary adjustments for Proficient, Commendable and Excellent ratings.

- Performance salary adjustment dollars that are available.
- Distribution of ratings.
- Base building salary adjustments will be assessed for the top three ratings. Non-base building will be assessed for the top rating.
  - Proficient will receive a base building salary adjustment that is greater than 0. Base cannot exceed the pay range maximum. The X value cannot exceed the pay range maximum.
  - Commendable will receive a base building salary adjustment amount that is greater than the amount for the Proficient level. The Y value cannot exceed the pay range maximum.
  - Excellent will receive a base building salary adjustment in an amount that is greater than the amounts for the Commendable level and must equal the Z value. Base cannot exceed the pay range maximum. Any portion of the adjustment amount that exceeds grade maximum shall be paid as a one-time lump sum. If the employee is at or above the pay range maximum, the employee is eligible for a one-time lump sum non-base building salary adjustment only.

*Example.* The figures used are simple illustrations only. In reality, it is anticipated that the actual salary adjustment may be substantially different.

<b>Performance Level</b>	<b>Value</b>	<b>Within the Range</b>	<b>At or Above Maximum</b>
Proficient	X = 1%	1% base	0
Commendable	Y = 2%	2% base	0
Excellent	Z = 4%	4% base	4% non-base

- Length of service in the state personnel system and source and method of funds are not factors.
- If an employee's base pay is at grade maximum or in saved pay status above the maximum, the employee is ineligible for a performance salary adjustment.



### **Incentive Awards**

DPA is cognizant of the importance and desirability of recognizing performance of employees in a variety of ways. While it is known that performance salary adjustments that add to base salary are important, it is the policy of DPA to encourage and use awards of a non-salary nature to supplement performance salary adjustments. For purposes of this plan these are called incentive awards. Employees at the Proficient level and above are eligible for incentive awards regardless of their position in the pay range.

Incentive awards should be awarded to those employees that are rated Commendable, at the pay range maximum, and do not receive a performance salary adjustment. Possible incentive awards are: Administrative Leave, Flex Time, Flex place, etc. Incentive awards are addressed in more detail in DPA's employee recognition policy.

### **Considerations for Team Recognition**

When a team earns a performance salary adjustment, it is important that all team members receive recognition. In the case where an individual team member's rating is Proficient or Commendable and the person is at or above range maximum, the employee is not eligible for a salary adjustment based on the personnel rules. Individuals in this situation should be considered for an incentive award.

## **VI. PERFORMANCE PAY SYSTEM DISPUTE RESOLUTION PROCESS**

The State's performance pay dispute resolution process consists of two stages, an internal stage and an external stage. The dispute resolution process is not a grievance or an appeal. The following guiding principles apply to the DPA internal process.

- The purpose of this process is to resolve disputes between an employee and the supervisor as soon as possible and at the lowest level. It is a problem solving approach. The process is not intended to be legalistic or adversarial.
- The process is open and impartial. An employee and supervisor will have the opportunity to be heard and have an issue reviewed objectively.
- A decision must be timely and fully address the concerns of an employee. All decisions will be provided in writing.
- The program will hold an employee and supervisor accountable for their job duties, responsibilities, and actions.
- It is not to be used if the evaluation results in a corrective/disciplinary action or involves allegations of discrimination.

The essential elements of DPA's process are as follows.

- *Informal Review.* The employee and supervisor should attempt to resolve any dispute within the five-day timeframe for initiating the internal review. If it involves lack of a plan or final overall rating, the time period begins with the due date established in the DPA performance cycle.
- *Internal Review.* The time limit for filing a written request to initiate the internal review stage is five working days from the date the plan or final overall rating is given to the employee. The review and decision must be completed within 20 working days from the date of the action. A description of the DPA dispute resolution process, the *DPA Performance Pay Dispute Resolution Form*, and instructions will be available to the employee from the supervisor, appointing authority, HRU, or the Department's intranet website.
- The following matters are disputable.

- a. The individual performance plan, including lack of a plan during the planning cycle\*;
  - b. The individual final overall performance evaluation, including lack of a final overall evaluation\*;
  - c. The application of the DPA performance pay program to the individual's plan or final overall rating; and,
  - d. Full payment of the salary adjustment.
- The following matters are not disputable.
  - a. The content of the DPA performance pay program;
  - b. Matters related to the funds appropriated;
  - c. The performance evaluations and performance salary adjustments of other employees; and
  - d. The amount of a performance salary adjustment, unless the issue involves the application of the DPA performance pay program.
- The Division Director shall make the final decision concerning a dispute within the Division. If the employee reports directly to the Division Director, the Division Director may refer the dispute to the Deputy Executive Director for recommended resolution. The final recommendation shall be promptly delivered to the employee with copies forwarded to the Division Director, supervisor, and HRU.
- Only issues originally presented in writing shall be considered throughout the dispute process.
- Division Directors are limited to addressing facts surrounding the current action and shall not substitute their judgment for that of the rater and reviewer, but may recommend raters to follow the Department's program, correct errors, reconsider a performance rating or plan, or suggest other appropriate processes such as mediation. A decision cannot alter the DPA performance pay program.
- Parties to the dispute have no absolute right to legal representation but may have one representative of their choice present and are expected to represent and speak for themselves.
- The employee will be given a written decision by the 20<sup>th</sup> working day from request of the internal review. The decision will include notice of the right to proceed to the external stage provided the dispute concerns the application of the department's performance pay program or full payment of salary adjustment (if relevant). Notice will include deadlines for filing; a list of what must be included in the request, and the address for filing. A brief summary of this information also appears on the *DPA Performance Pay Dispute Resolution Form*.

As provided by Director's Administrative Procedures, the external stage provides for a review by a written request to the State Personnel Director. The external stage is limited to the application of the DPA performance pay program to the individual's plan or final overall evaluation and full payment of the salary adjustment. An employee must exhaust remedies provided for in the internal stage before proceeding to the external stage. An employee's written request for external review must be made to the State Personnel Director within five working days of the date of the department's final decision. The original *DPA Performance Pay Dispute Resolution Form*, any supporting documents, and the final decision must be included with the employee's written request for external review. The director may select a qualified neutral third party to review the matter. In reaching a final decision, these individuals have the authority to instruct a rater to:

- a. follow the agency's program;
- b. correct an error; or
- c. reconsider an individual performance plan or final overall evaluation.

---

\*Final resolution of issues concerning the individual's performance plan (or lack of plan) and the individual's performance final overall rating must be resolved at the internal stage. Employees do not have further recourse for resolution of these disputes.

These individuals may also suggest other appropriate processes such as mediation. A written decision in accordance with director's dispute resolution rules will be issued within 30 days of receipt. The decision is final and binding.

Retaliation against any person involved in the dispute resolution process is prohibited.

## **VII. COMMUNICATION AND TRAINING**

### **Communication**

Extensive communication is vital to the success of the performance pay program. Communication establishes opportunities for dialogue on issues of critical importance, enhances credibility, promotes overall trust, and allows the monitoring of the program so improvements can be made. The following communication initiatives are planned for continuing the evaluation and improvement of the performance pay program.

- ♦ The HRU will continue department-wide emails and on-site visits to respond to employee questions and concerns and provide updated information.
- ♦ Continue *Performance Matters* communication format and write articles for the *DPA Dispatch* to highlight the program, processes, forms, changes, and communicate examples of performance successes within DPA. Also, employee achievements will be publicized in the *Dispatch*.
- ♦ Recognize incentive awards (cash and non-monetary) to employees for their performance successes throughout the year.
- ♦ Continue to include the performance pay program as a periodic agenda item at executive management meetings to discuss and resolve emerging issues and obtain feedback on the program.
- ♦ Division Directors will continue to emphasize excellent performance throughout their divisions, e.g., staff meetings.
- ♦ DPA Orientation Program will include pertinent information on aspects of the performance pay program including supervisor and employee roles and responsibilities under the performance pay program.

### **Training**

Training at all levels within the Department facilitates the acquisition of new skills, attitudes, and behaviors needed to learn to adapt to change and focus on the future.

As DPA continues to improve the performance pay program, employees must continue to be knowledgeable about the performance pay program. The Division Directors and HRU will provide the following information to all employees. Further, employees will receive any changes to the program policies on a timely basis.

- ♦ Plan to allocate the performance salary adjustment funds within the department.
- ♦ How to use the *DPA Performance Management Forms*, including the definition of each rating level, the development of objectives and measurements, evaluating and rating, and participation in the process.
- ♦ The performance pay dispute resolution process and form, and an employee's rights.

An important component of training is focused on supervisors in order to build consistency and quality in the performance management component of the program. All DPA supervisors must attend mandatory performance management training. New supervisors must attend training within 30 days of appointment. Under the performance pay program, supervisors are coaches to provide the right advice, support, assignments, and resources at the right time. The training is practical-focused and comprised of the following topics:

- *Overview of the DPA Performance Pay Program's policies and processes.*
- *Performance Management:* performance planning, writing performance objectives and measures, interpersonal communication skills, preparation and conduct for coaching and feedback, performance evaluation skills, multi-source assessment processes; and the required supervisory performance objective.

- *Performance-Based Pay*: salary adjustment eligibility and performance pay levels, allocation of funds within DPA, salary alternatives (incentive awards), DPA decision processes to determine salary adjustment amounts.
- *Dispute Resolution*: process and timelines, grounds for requesting dispute resolution, issues not disputable, alternative dispute resolution processes.

Executive management may determine when additional or ongoing training is necessary for supervisors and employees. HRU will diligently monitor training activities and progress in meeting training goals included within this program. Information sessions will be conducted as requested for employees to discuss the department's performance pay program in detail. A user's guide is available to employees and managers containing such items as forms and highlights of the performance pay program. HRU will also provide assistance for writing quality performance objectives and measures and conducting the final overall rating.

## **VIII. RECORDKEEPING AND REPORTING**

By May 15 of each performance cycle, all completed performance evaluation forms with the final overall rating, will be forwarded to the HRU located in the Executive Office and recorded in EMPL and the Department's automated performance management database.

Financial Services will use reports provided by the EMPL and CPPS systems and the performance management and budget allocation database to produce reports to the state personnel director in the requested format by the deadline. Further, each division is expected to accumulate and report information on performance incentive awards made to its employees throughout the performance cycle. The information to be reported for each employee includes the type and amount of non-monetary awards and the dollar amount of cash awards.

HRU, in conjunction with Financial Services, will compile and submit an annual report to the state personnel director that may include any of the following:

1. Total dollars budgeted;
2. Total dollars awarded;
3. Amount of base and non-base salary adjustments;
4. Distribution of ratings by salary adjustment amount;
5. Timeliness and completion of plans and ratings;
6. Sanctions imposed;
7. Dispute resolution requests and outcomes;
8. Retention; and,
9. Training conducted and cost.

## **IX. EVALUATION OF DPA IMPLEMENTATION OF PERFORMANCE PAY PROGRAM**

Executive management is kept apprised of the operation of the performance pay program at executive management meetings and by email through the Director of Human Resources. Further, as appropriate, the HRU will meet periodically with the Employee Council staff and management to discuss the current status of the program. The intent is to gather input, identify trends, recommend improvements, and create reports.

At the end of each performance cycle, each Division will be asked to provide a report assessing division and employee performance, and the effectiveness and efficiency of forms, materials, and processes. Several years of data will probably be necessary to establish meaningful trends.

Various reports will be made available to supervisors, managers, and human resource specialists within DPA to evaluate the results. The source of data will include the internal tracking system, EMPL and CPPS, and input from employees and managers.